

VORYS

Vorys, Sater, Seymour and Pease LLP
Legal Counsel

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1825 L St. NW
Eleventh Floor
Washington, DC 20036-5108
202.467.8800 | www.vorys.com
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Brett G. Kappel
Direct Dial (202) 467-8800
Facsimile (202) 535-8800
E-Mail - bkgkappel@vorys.com

March 6, 2009

VIA COURIER

Jeff S. Jordan
Supervisory Attorney
Complaints Examination &
Legal Administration
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

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COMMISSION
OFFICE OF GENERAL
COUNSEL
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Re: MUR 6156
Response of the Ron Paul 2008 Presidential Campaign Committee and
Deana Watts, in her official capacity as Treasurer

Dear Mr. Jordan:

This Response, including attached exhibits, is submitted on behalf of the Ron Paul 2008 Presidential Campaign Committee ("the Committee") and Ms. Deana Watts, in her official capacity as Treasurer, in response to the complaint filed by Mr. Jay Weeldreyer on December 30, 2008, with regard to an allegedly excessive in-kind contribution made by Mr. Weeldreyer to the Committee while he was retained by the Committee as an independent contractor during the 2008 presidential primary election cycle.

Mr. Weeldreyer's complaint is nothing more than a feeble and transparent attempt to extort money that he is not owed from the Committee by abusing the Commission's enforcement process. The complaint attempts to resurrect a claim for reimbursement that first came to the attention of the senior management of the Committee – and which the Committee thought had been resolved – nearly ten months ago. As set forth in greater detail below, there is no basis in

law or fact for Mr. Weeldreyer's spurious allegation against the Committee. Accordingly, the Committee and Ms. Watts respectfully requests that the Federal Election Commission ("FEC" or "the Commission") activate this case and dismiss the complaint after determining that there is no reason to believe that either the Committee or Ms. Watts committed any violation of the Federal Election Campaign Act ("FECA") or FEC regulations.

Mr. Weeldreyer's Complaint

Mr. Weeldreyer alleges in his complaint that he incurred \$1,792.51 in expenses on behalf of the Committee that were not reimbursed to him pursuant to an expense reimbursement request he filed with the Committee on February 5, 2008. Weeldreyer Complaint at ¶ 5. He claims that this "un-reimbursed sum . . . constitutes an in-kind campaign contribution in excess of the \$2,300 cash contribution" he made to the Committee. Weeldreyer Complaint at ¶ 6. Although wholly unarticulated, Mr. Weeldreyer appears to be asserting that the Committee violated 2 U.S.C. § 441a(f) and 11 C.F.R. § 116.5(b)(2) by not reimbursing him for these expenses within sixty days.

Mr. Weeldreyer further claims that his immediate superiors provided statements "attesting to the fact that the un-reimbursed expenses, were in-fact, campaign expenses explicitly authorized by them in their official capacity and that these expenses should be reimbursed." Weeldreyer Complaint at ¶ 11. He asserts that he "clearly communicated" these alleged excess contributions to executives of the Committee "with the explicit request that appropriate steps be taken to reduce [his] . . . contributions to the legal limits" and that "no response was received from anybody within the campaign." Weeldreyer Complaint at ¶¶ 7-8. He maintains that his attorney, Jean Jorgensen, communicated the situation to the Committee's general counsel, Joseph Becker, "on several occasions via telephone conversations and email throughout 2008" and that the Committee has "chosen to remain in violation of the law" by not reimbursing the \$1,792.51 in expenses that he claims he is owed under his contract with the Committee. Weeldreyer Complaint at ¶ 10.

Statement of Facts**The Committee and Its Policy on Expense Reimbursements**

The Committee is the authorized committee of the Honorable Dr. Ron Paul (R-TX), who was a candidate for the office of President of the United States of America during the 2007-2008 election cycle. As such, the Committee entered into many independent contractor agreements with an array of vendors and other third parties to provide various campaign and other support services to the Committee.

Under the contracts that the Committee had with its independent contractors, the Committee agreed to reimburse them only for Committee-related expenses incurred during their performance of authorized services for the Committee. See Affidavit of Fernando Cortes at ¶ 2 (attached hereto as Exhibit A). These reimbursable expenses included, among other things, the reimbursement of cellular telephone expenses up to a maximum amount of the cost of a monthly unlimited-minute, nationwide service plan. *Id.* Importantly, the Committee did not agree to reimburse their independent contractors for either (a) personal expenses not directly related to the services they were providing for the Committee or (b) cellular telephone expenses in excess of the cost of a monthly unlimited-minute, nationwide service plan. *Id.*

For independent contractors to have their Committee-related expenses reimbursed, they were required to submit expense reimbursement requests to Mr. Fernando Cortes, the Committee's Controller, at the Committee's campaign headquarters in Arlington, Virginia. Cortes Affidavit at ¶ 3. Upon receiving an independent contractor's expense reimbursement request, Mr. Cortes would review it to determine which submitted expenses were authorized to be reimbursed under the terms of the contractor's agreement with the Committee. *Id.* Mr. Cortes would then forward the request to Mr. Lew Moore, the Committee's Campaign Manager, with instructions as to which submitted expenses were properly reimbursable. *Id.* Mr. Moore was one of only three people at the Committee who had the authority on behalf of the Committee to approve or deny reimbursement requests or otherwise speak in regard to the reimbursement of expenses. See Affidavit of Lew Moore at ¶ 2 (attached hereto as Exhibit B). The other two

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people authorized to approve or deny reimbursement requests were Joe Seehusen, the Committee's Deputy Campaign Manager, and the late Kent Snyder, the Committee's Chairman. *Id.* No independent contractors retained by the Committee, including none of the Committee's state political or field directors, had the authority on behalf of the Committee to approve or deny expense reimbursement requests or otherwise speak on behalf of the Committee with regard to the reimbursement of expenses. *Id.*

This limitation applied to Mr. Weeldreyer's immediate supervisor, Iowa State Director Craig Bergman. Mr. Weeldreyer's complaint relies heavily on his assertion that Mr. Bergman authorized the expenses that were later disallowed by Mr. Moore. Weeldreyer Complaint at ¶ 11; *see also* the May 28, 2008 e-mail exchange between Mr. Weeldreyer and Mr. Bergman attached as an unnumbered exhibit at the conclusion of the Weeldreyer Complaint. As a state director, Mr. Bergman did not have the authority to either authorize expenses by independent contractors or speak on the Committee's behalf with regard to the reimbursement of expenses. Moore Affidavit at ¶ 2.

Mr. Weeldreyer's Retention by the Committee as a Field Director

Mr. Weeldreyer was retained by the Committee on December 16, 2007 as an independent contractor to serve as a field director in both Nevada and Washington and to provide campaign and support services to the Committee. Cortes Affidavit at ¶ 5. *See also* Mr. Weeldreyer's W-9 form confirming his status as an independent contractor (attached hereto as Exhibit C). The Committee informed Mr. Weeldreyer of the Committee's expense reimbursement policies before or shortly after he began providing campaign and support services. Cortes Affidavit at ¶ 6. Specifically, Mr. Weeldreyer was informed:

- (a) that in carrying out his services for the Committee he was to use his personal cellular telephone for all phone calls made or received;
- (b) that the Committee would reimburse him for his Committee-related expenses, including the cost he incurred for use of his cellular telephone up to a maximum amount of the cost of a monthly unlimited-minute, nationwide service plan;

(c) that if he did not currently have such a cellular phone service plan, then he would need to change his plan to a monthly unlimited-minute, nationwide service plan if he wanted to receive Committee reimbursement for his cellular telephone expenses; and (d) that the Committee would not reimburse him for any other personal expenses incurred by him that were not related and necessary for his performance of campaign services for the Committee.

Id.

Mr. Weeldreyer's Expense Reimbursement Request

The expense reimbursement request at issue here is a request for \$5,722.11 submitted by Mr. Weeldreyer to Mr. Cortes on or about February 5, 2008.¹ Cortes Affidavit at ¶ 7. *See also* Mr. Weeldreyer's initial expense reimbursement request (attached hereto as Exhibit D). Mr. Cortes reviewed Mr. Weeldreyer's request and determined that \$1,701.92 of Mr. Weeldreyer's claimed expenses were unauthorized. Cortes Affidavit at ¶ 7. Specifically, Mr. Cortes determined that \$186.29 of Mr. Weeldreyer's claimed expenses were not reimbursable because they were Mr. Weeldreyer's personal expenses. These included (a) \$40.80 for long-distance personal telephone calls Mr. Weeldreyer made from his hotel room; (b) \$21.45 for personal entertainment in Mr. Weeldreyer's hotel room (the exact nature of the movies viewed by Mr. Weeldreyer was not disclosed); (c) \$38.00 for parking citations; and (d) \$86.04 for a laptop computer power adaptor never returned to the Committee. *See* the Committee's summary of

¹ Mr. Weeldreyer amended his expense reimbursement request on March 7, 2008 to include \$90.59 in additional cellular telephone service charges. He has included this additional amount in the expense reimbursement request attached to his complaint and in the total amount of the excessive in-kind contribution that he alleges was accepted by the Committee (\$1,792.51 instead of \$1,701.92). Mr. Weeldreyer is not entitled to reimbursement for this additional amount because such expenses are not covered by the Committee's reimbursement policy for independent contractors. In addition, Mr. Weeldreyer did not follow the appropriate procedures described *supra* for submitting expense reimbursement requests. Instead of including this \$90.59 in a new expense reimbursement request and submitting it to Mr. Cortes, Mr. Weeldreyer merely inserted this claim for an additional \$90.59 into an "amended" version of his February 5, 2008 expense report that he claims to have included in an August 29, 2008 letter to Mr. Becker. *See infra* for a further discussion of the letter allegedly sent on August 29, 2008. These additional expenses were never brought to the attention of the Committee and, therefore, the Committee believes that Mr. Weeldreyer's initial expense reimbursement request of \$5,722.11 is dispositive. Regardless, for the reasons stated under the Legal Arguments section of this Response *infra*, the exact amount of the reimbursement Mr. Weeldreyer now claims he is owed is irrelevant.

unreimbursed expenses and supporting documentation (attached hereto as Exhibit E). Mr. Cortes also disallowed the remaining \$1,515.63 in excess cellular telephone expenses incurred by Mr. Weeldreyer as a result of his failure to abide by Committee instructions and switch his cellular telephone service plan to an unlimited-minute, nationwide service plan. Cortes Affidavit at ¶ 7.

Mr. Cortes forwarded Mr. Weeldreyer's expense reimbursement request to Mr. Moore with the recommendation that the Committee authorize the reimbursement of Mr. Weeldreyer's remaining expenses of \$4,020.19 because they were incurred by him during his performance of campaign services for the Committee and were properly reimbursable under the terms of his independent contractor agreement. Cortes Affidavit at ¶ 8; Moore Affidavit at ¶ 3. Mr. Moore agreed with Mr. Cortes's evaluation of the expenses and authorized the partial reimbursement – denying the \$1,701.92 in unauthorized expenses. Cortes Affidavit at ¶ 8; Moore Affidavit at ¶ 3. On March 4, 2008, Ms. Watts issued and had mailed an expense reimbursement check to Mr. Weeldreyer for \$4,020.19. *See* Affidavit of Deana Watts at ¶ 2 (attached hereto as Exhibit F); Cortes Affidavit at ¶ 8.

**Communications Between Mr. Weeldreyer and the Committee
After Mr. Weeldreyer's Expense Reimbursement Request was Denied**

Mr. Weeldreyer asserts in his complaint that he brought the issue of the Committee's partial denial of his expense reimbursement request to the attention of the Committee's senior executives many times throughout 2008. Unfortunately for Mr. Weeldreyer, these assertions are simply incorrect. Mr. Weeldreyer asserts that his counsel, Jean Jorgensen, communicated with Mr. Becker "on several occasions via telephone conversations and email throughout 2008" regarding the partial denial of his reimbursement request. Weeldreyer Complaint at ¶ 10. In fact, Mr. Becker had exactly one telephone conversation with Ms. Jorgensen. At the conclusion of that conversation, Mr. Becker had the impression that Ms. Jorgensen understood and accepted the Committee's rationale for partially denying Mr. Weeldreyer's reimbursement request. *See* Affidavit of Joseph Becker at ¶ 7 (attached hereto as Exhibit G). Significantly, the Committee is

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not aware of receiving, by mail, either of the letters Mr. Weeldreyer claims Ms. Jorgensen sent to the Committee.

Similarly, Mr. Weeldreyer asserts that he also communicated his concerns regarding the partial denial of his reimbursement request to other senior Committee executives, including Mr. Moore and Ms. Watts. Weeldreyer Complaint at ¶ 7. Mr. Weeldreyer did indeed communicate with both of them on different occasions, but on neither occasion did he raise the issue of his reimbursement request. Mr. Weeldreyer did contact his immediate supervisor, Craig Bergman, and asked him to contact Mr. Cortes and Mr. Moore regarding the partial denial of his reimbursement request. As noted previously, however, Mr. Bergman had no authority to approve reimbursement requests or speak on the Committee's behalf with regard to the reimbursement of Mr. Weeldreyer's claimed expenses.

Mr. Weeldreyer alleges that his counsel, Jean Jorgensen, sent a letter to Mr. Moore and Mr. Snyder on March 25, 2008 demanding payment of the \$1,701.92 in expenses that the Committee had refused to reimburse. Mr. Moore, however, has no knowledge of this letter ever being received by anyone at the Committee.² Moore Affidavit at ¶ 5. On May 27, 2008 Ms. Jorgensen sent Mr. Becker an email in which she threatened to file a lawsuit against the Committee unless Mr. Weeldreyer was reimbursed for his remaining \$1,701.92 in expenses. Attached to that email was an electronic copy of the March 25, 2008 letter that Ms. Jorgensen claimed to have sent to the Committee two months earlier. This was the first time that Mr. Becker became aware of Ms. Jorgensen's March 25, 2008 letter regarding the issue of Mr. Weeldreyer's expenses. Becker Affidavit at ¶¶ 3-4. The following day, May 28, 2008, Mr. Weeldreyer's immediate supervisor, Mr. Bergman, at the prompting of Mr. Weeldreyer, emailed Mr. Cortes and Mr. Moore regarding the Committee's denial of Mr. Weeldreyer's unauthorized expenses. Although Mr. Bergman states in his email that Mr. Weeldreyer's expenses were "legit and of critical necessity to the effort," he had no authority on behalf of the Committee to make determinations as to what expenses were authorized under Mr. Weeldreyer's independent

² Mr. Snyder is deceased and the Committee is not aware of any record of him receiving this letter either.

contractor agreement. Mr. Moore forwarded Mr. Bergman's e-mail to Mr. Becker the same day, May 28, 2008. Becker Affidavit at ¶ 6. Within a day or two of receiving Ms. Jorgensen's e-mail, Mr. Becker and Ms. Jorgensen had a telephone conversation regarding the denial of Mr. Weeldreyer's expense reimbursement request. Becker Affidavit at ¶ 7. Mr. Becker explained the Committee's rationale for partially denying Mr. Weeldreyer's expense reimbursement request to Ms. Jorgensen and was left with the impression that she understood and accepted the Committee's rationale. *Id.* Mr. Becker had no subsequent communication with either Ms. Jorgensen or Mr. Weeldreyer and believed that the issue had been resolved. Becker Affidavit at ¶ 8.

At virtually the same time that Mr. Weeldreyer alleges his counsel was first contacting Mr. Becker, Mr. Weeldreyer was contacted by Ms. Watts, yet Mr. Weeldreyer never raised the issue of his reimbursement request with her. On March 27, 2008, Ms. Watts sent Mr. Weeldreyer an email informing him that his 2008 primary election cycle contribution to the Committee of \$2,350 was \$50 more than allowed under the FECA and the excess would need to be refunded. *See* email correspondence between Ms. Watts and Mr. Weeldreyer (attached hereto as Exhibit H); *see also* Watts Affidavit at ¶¶ 3-4. Mr. Weeldreyer responded to Ms. Watts's email on March 28, 2008 and requested that the \$50 excess cash contribution be refunded. *Id.* On March 31, 2008 Ms. Watts issued and had mailed to Mr. Weeldreyer a \$50 refund check. Watts Affidavit at ¶ 5. Importantly, Mr. Weeldreyer never at this or any other time brought up the issue of the Committee's partial denial of his expense reimbursement request to Ms. Watts. Watts Affidavit at ¶ 6.

Similarly, Mr. Weeldreyer also met with Mr. Moore and, inexplicably, he again failed to raise the issue of his reimbursement request. In late May 2008, Mr. Weeldreyer and Mr. Moore had a brief conversation while both were attending the Washington Republican State Convention. Moore Affidavit at ¶ 4. During that conversation, Mr. Weeldreyer never brought up the Committee's partial denial of his expense reimbursement request to Mr. Moore. *Id.*

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Finally, Mr. Weeldreyer includes as an unnumbered exhibit to his complaint a second demand letter that he alleges Ms. Jorgensen sent to Mr. Becker at his Committee email address on August 29, 2008. This letter, however, was never received by Mr. Becker because the Committee email network was shut down on or about July 10, 2008, after Dr. Paul withdrew from the presidential primary. Mr. Becker was not aware that this second letter existed until Ms. Watts forwarded Mr. Weeldreyer's FEC complaint to him on January 19, 2009. Becker Affidavit at ¶ 8. Moreover, at no other point up until he filed his complaint with the FEC on December 30, 2008 did Mr. Weeldreyer have any other conversations with any of the senior Committee executives with regard to the Committee's partial denial of his reimbursement request. Moore Affidavit at ¶ 5; Watts Affidavit at ¶ 6; Becker Affidavit at ¶ 8.

Accordingly, there is no basis for Mr. Weeldreyer's assertion that he brought the issue of the Committee's partial denial of his expense reimbursement request to the attention of the Committee's senior executives many times throughout 2008. In fact, Mr. Weeldreyer's counsel brought Mr. Weeldreyer's claim to the attention of the Committee for the first time on May 27, 2008 and, as far as the Committee was aware, the issue was resolved within a few days.

Legal Arguments

Mr. Weeldreyer's complaint is based upon three different yet fundamental misinterpretations of FECA and FEC regulations, any one of which is fatal to the allegations raised in his complaint. Firstly, Mr. Weeldreyer's complaint is, in essence, an attempt to use the Commission's enforcement process to force the Committee to pay Mr. Weeldreyer a debt he is not owed. In order to find that the Committee had accepted an illegal excessive contribution from Mr. Weeldreyer, the Commission would have to determine whether, in fact, a debt exists, what the amount of the debt is and which persons, if any, are responsible for paying the debt. Since 1975, however, the Commission has consistently held that it lacks jurisdiction to make such determinations and must defer to state courts on these issues. *See, e.g.,* FEC Advisory Opinion 1989-2 (*citing* FEC Advisory Opinion 1975-102). Secondly, Mr. Weeldreyer's

complaint, despite the fact that it is devoid of any references to specific provisions of FECA or FEC regulations, appears to be premised on 11 C.F.R. § 116.5(b)(2) and Mr. Weeldreyer's status as an employee of the Committee. Mr. Weeldreyer, however, was not a Committee employee, but an independent contractor and therefore Section 116.5(b)(2) does not apply. Finally, the unreimbursed expenses that Mr. Weeldreyer claims are an illegal excessive contribution to the Committee simply do not meet the statutory definition of a contribution under 2 U.S.C. § 431(8)(A)(i) and 11 C.F.R. § 100.52(d)(1).

**The FEC Lacks Jurisdiction to Determine
What Obligation, If Any, the Committee Has to Mr. Weeldreyer**

The fundamental premise of Mr. Weeldreyer's complaint is that the Committee owes him a debt of \$1,792.51 and that debt constitutes an illegal, excessive in-kind campaign contribution because he had already made the maximum contribution allowed by law. Weeldreyer Complaint at ¶ 6. Unfortunately, this type of baseless allegation has become a staple of disgruntled campaign vendors. *See, e.g.*, MUR 5441/ADR 189 (dismissing allegations that Clark for President accepted an illegal in-kind contribution from Humes McCoy Aviation). In order for the Commission to find that the Committee had committed a violation of 2 U.S.C. § 441a(f) in this case, the Commission would first have to determine that the Committee did in fact owe Mr. Weeldreyer a debt of \$1,792.51. "The Commission has long held that State law governs whether an alleged debt in fact exists, what the amount of the debt is and which persons or entities are responsible for paying a debt." FEC Advisory Opinion 1989-2 at 2. *See also* FEC Advisory Opinions 1995-7, 1988-44, 1981-42, 1979-1, 1975-102 and Karl Rove & Co. v. Thornburgh, 39 F.3d 1273, 1280-81 (5th Cir. 1994) (*citing* FEC Advisory Opinion 1989-2 for the proposition that state law supplies the answer to the question of who may be held liable for campaign committee debts).

FEC Advisory Opinion 1981-42 is particularly instructive here. In that advisory opinion, the FEC was asked whether one campaign vendor would be making an illegal corporate contribution to the campaign if it paid a disputed debt to another campaign vendor. The

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Commission held that a contribution would not occur if the campaign vendor paid the debt as the result of a court judgment holding it liable on the contract it had with the other campaign vendor.

However, the Commission then went on to hold that:

"[I]t is not within the jurisdiction of the Commission to determine the obligations and rights arising under [a] . . . contract. . . . Such determinations are subject to relevant State law."

FEC Advisory Opinion 1981-42 at 2.

Clearly the Commission lacks jurisdiction here to determine whether, in fact, a debt exists, what the amount of that debt, if any, is and which persons, if any, are responsible for paying the debt. Mr. Weeldreyer's only recourse is to bring suit against the Committee in state court. The fact that he chose not to do so after retaining counsel speaks volumes as to the validity of his claim. Instead of bringing a hopeless claim in state court, he opted to abuse the Commission's enforcement process to impose costs on the Committee in an effort to extort a settlement for a debt he is not owed. Because it lacks jurisdiction to determine whether or not the alleged debt even exists, the Commission must dismiss the complaint in MUR 6156.

**Mr. Weeldreyer's Implicit Reliance on 11 C.F.R. § 116.5(b)(2)
to Attempt to Establish an Alleged Violation of 2 U.S.C. § 441a(f)
is Simply Incorrect as a Matter of Law**

Mr. Weeldreyer's complaint is noticeably deficient in any specific reference to the provisions of FECA or FEC regulations he alleges were violated by the Committee. He appears to be arguing, however, that the Committee's refusal to reimburse him for all the expenses he claimed constitutes an illegal excessive contribution under 2 U.S.C. § 441a(f) by operation of 11 C.F.R. § 116.5(b)(2). See Weeldreyer Complaint at §§ 5-6. Section 116.5(b)(2) provides that advances by committee staff are to be treated as in-kind contributions by the individual making the advance unless they are reimbursed within sixty days after the closing date of the billing statement on which the charges first appear. The fatal flaw in this argument is that Section 116.5(b)(2) does not apply to independent contractors like Mr. Weeldreyer. The regulation states

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explicitly that "[t]his section applies to individuals who are not acting as commercial vendors. Individuals who are acting as commercial vendors shall follow the requirements of 11 C.F.R. §§ 116.3 and 116.4." 11 C.F.R. § 116.5(a). Neither of those sections transforms an advance by a commercial vendor into a contribution if it is not paid within a defined period.

There is absolutely no doubt whatsoever that Mr. Weeldreyer was a commercial vendor rather than a member of the Committee staff. He was retained by the Committee as an independent contractor and, accordingly, filed a W-9 form with the Internal Revenue Service (attached hereto as Exhibit C). *See also* Cortes Affidavit at ¶ 5; Moore Affidavit at ¶ 3. Accordingly, Section 116.5(b)(2) simply does not apply to Mr. Weeldreyer and any unreimbursed expenses he now claims he is owed.

**Mr. Weeldreyer's Unreimbursed Expenses Do Not Constitute Contributions
As That Term is Defined by 2 U.S.C. § 431(8)(a)(1) or 11 C.F.R. § 100.52(d)(1)**

The term "contribution" is defined under FECA to include "anything of value made by any person *for the purpose of influencing any election for Federal office*. . . ." 2 U.S.C. § 431(8)(A)(i) (*emphasis added*). FEC regulations state that the term "anything of value" includes all in-kind contributions. 11 C.F.R. § 100.52(d)(1). Although the definition of contribution is extremely broad, expenses incurred by individuals do not constitute a contribution to a political candidate or campaign committee unless the expenses were incurred for the purpose of influencing a federal election. Mr. Weeldreyer's \$1,792.51 in unreimbursed expenses are *not* contributions under 2 U.S.C. § 431(8)(A)(i) because they were not authorized by the Committee and therefore were not incurred by him for the purpose of influencing Dr. Paul's election.

At the time he was retained as an independent contractor, Mr. Weeldreyer was informed that (a) the Committee would not reimburse him for any cellular telephone expenses incurred by him in excess of the cost of a monthly unlimited-minute, nationwide service plan, and (b) the Committee would not reimburse him for any other personal expenses incurred by him that were not related and necessary for his performance of campaign services for the Committee. *See* Cortes Affidavit at ¶ 6. While, as an independent contractor, Mr. Weeldreyer was free to incur

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expenses in amounts he saw fit to provide campaign services to the Committee, the extent to which he would be reimbursed for those expenses was strictly limited under the terms of his agreement with the Committee. It would be perverse indeed for the Commission to find that the Committee accepted an illegal excessive in-kind contribution from Mr. Weeldreyer when the Committee first instructed Mr. Weeldreyer that he would not be reimbursed for certain expenses and then, when he incurred them anyway, refused to reimburse him.

Because Mr. Weeldreyer incurred the \$1,792.51 in expenses that are the subject of his complaint in violation of clearly-articulated Committee policy, these expenses were not made by him for the purpose of influencing Dr. Paul's election and are therefore not contributions as that term is defined by 2 U.S.C. § 431(8)(a)(i) and 11 C.F.R. § 100.52(d)(1). If the Commission were to find otherwise, any campaign committee could be held liable for any agent of the campaign who exceeds his or her authority in violation of clear committee instructions to the contrary. Clearly such a result would be absurd.

Conclusion

There is no basis in law or fact for the Commission to find reason to believe that the Committee or Ms. Watts, in her official capacity as Treasurer, violated 2 U.S.C. § 441a(f) or any other provision of FECA or FEC regulations. Mr. Weeldreyer's complaint is a thinly-veiled attempt to extort from the Committee payment of a debt that he is not owed and could not collect in state court. In order to find that the Committee had accepted an illegal excessive contribution from Mr. Weeldreyer, the Commission would first have to determine whether, in fact, a debt exists, what the amount of the debt is and which persons, if any, are responsible for paying the debt. Since its inception in 1975, the Commission has consistently held that such determinations are outside its jurisdiction and are the exclusive province of state courts. Mr. Weeldreyer's sole recourse is to bring such a suit. The fact that, after retaining counsel, he chose not to file such a suit indicates that this complaint is specious and should be dismissed as frivolous. To devote any further time or effort to Mr. Weeldreyer's complaint would be a waste of the Commission's scarce resources. Accordingly, the Committee and Ms. Watts respectfully request that the

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Commission activate this case and dismiss the complaint after determining that there is no reason to believe that either the Committee or Ms. Watts committed any violation of FECA or FEC regulations.

Sincerely,



Brett G. Kappel
Counsel for the Ron Paul 2008 Presidential
Campaign Committee and Ms. Watts, in her
official capacity as Treasurer

Enclosures

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